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## GENERAL

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1. Views on Soviet proposal for CFM on Germany--US Embassy  
 Moscow considers that the recent formal Soviet proposal for a CFM meeting on Germany was made primarily for propaganda purposes. The Embassy points out that the proposal is well-timed, in connection with the Prague Declaration, the 7 November anniversary of the Bolshevik revolution, and the Second World Peace Congress, to be an important element in the world-wide campaign to prove that the USSR wants peace and the US wants war. The Embassy notes that the proposal concentrates on demilitarization rather than on all major German problems and comes at a delicate period in the development of French endorsement of the rearmament of Germany..

## FAR EAST

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2. INDOCHINA: UK to urge more power for Bao Dai--According  
 to US Embassy London, British Commissioner General for Southeast Asia MacDonald will visit the highest available French Government official in Paris to express his view that the only possible solution to the Indochina problem is to accelerate the transfer of power to Emperor Bao Dai. MacDonald is making the visit at the specific request of the Foreign Office, which shares his views on Indochina.

Tonkin situation described as not hopeless--US Consul  
 Blancke in Hanoi expresses the opinion that the French now appear to have "more than an even chance" of holding North Vietnam. In support of this view, Blancke points out that the Viet Minh evidently lacked the power to keep rolling and hazards the guess that the French will win the reinforcements race.

DIA and DOS review(s) completed.

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The Consul concurs in the recently-expressed opinion of the French Commanding General in Tonkin that the next 12 months will be critical.

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3. KOREA: Chinese Communist strength in North Korea-- US Embassy Counsellor Drumright in Seoul transmits the estimate of US military field intelligence that there are now between 25,000 and 27,000 Chinese Communist troops engaging US forces in the northwest sector in Korea, and that a Chinese Communist force approximating divisional strength is opposing UN forces in the northeastern sector. (Latest military field reports indicate a total of 35,000 Chinese Communist troops are currently engaging UN forces in Korea.) US intelligence also reports that 13 hostile Yak aircraft, which could only have come from Manchurian fields, were observed over North Korea on 5 November.

Dissension in ROK National Assembly-- US Embassy Counsellor Drumright expresses the opinion that the overwhelming rejection of Paek as Prime Minister by the ROK Assembly can be attributed mainly to selfish political maneuvering and to deep-seated hostility toward President Rhee. As a further measure of the Assembly hostility for Rhee, Drumright reports that a resolution calling for the resignation of the entire Rhee Cabinet was presented to the Assembly and, after two indecisive votes, reconsideration was deferred until 6 November.